



Gray Davis, Governor
State of California
Business, Transportation and Housing Agency

980 Ninth Street
Suite 1800
Sacramento, CA 95814
(916) 324-8166 voice
(916) 327-6352 fax

Date: February 26, 2001

RE: Electronic Filing Pilot for the Submission of Notices of Material Modification and Amendments

Dear Health Care Service Plans, Health Care Provider Organizations, and Applicants for Licensure or Authorization,

As stated in a memo dated August 10, 2000, the Department of Managed Health Care (DMHC) is implementing a number of changes that affect how the Department internally processes filings and serve the Health Plans. In addition to these internal improvements, the Department is examining the feasibility of implementing electronic filing of documents by Health Plans.

Electronic Filing Background

The licensing and document management functions of DMHC are essentially paper-driven. More than 4,100 filings were submitted last year. That number translates into well over 1,000,000 pieces of paper entering the building. The paper documents are located in two separate locations and the tracking, distributing, and processing of filings is a manual process. Internal and external access to the documents is difficult and time intensive. Given these problems, the Department developed a technical solution that involves electronic filing and automated work processes.

The Department met with some of the larger Health Plans regarding the feasibility of electronic filing. Those Health Plan meetings, along with issues raised by Health Plans over the years, support the notion of electronic filing.

Electronic Filing Implementation Approach

An Electronic Filing Pilot team, consisting of six selected Health Plans (Kaiser, Delta Dental, Blue Cross, LA Care, Landmark, and Lifeguard), DMHC staff, and vendors, will work together to ensure a proper technical fit between the plans and the Department. The six Health Plans were selected based on size, diversity of Health Plan offerings, and a willingness to devote time to the development of an electronic filing process with the Department. ***The tentative implementation date for implementing electronic filing of submissions by the pilot group is May of 2001.***

The plan is to initiate the new technologies with the electronic submission of Health Plan license modifications and amendments. The pilot will focus on the receipt of a Health Plan electronic submission, how it will be stored for easy and immediate access, and eventually distributed to staff for processing. After the pilot, the Department intends to transition the new technology to the remaining Health Plans, with the electronically filed documents available to the public via the web.

The objectives of the Electronic Filing Pilot are as follows:

- **Proof of Concept** – determine whether or not electronic filing is the most effective method for submitting Health Plan documents to the Department.

- **Health Plan Involvement** – receive input from the selected Health Plan pilot group to develop an electronic filing process that is acceptable externally, as well as internally.
- **Rollout Strategy** – develop a comprehensive strategy for the eventual electronic filing rollout to the remaining Health Plans.
- **Electronic Filing “Kinks”** – identify and resolve implementation challenges before rolling out to all Health Plans.

These objectives will be met to ensure that the proposed technology provides better service to the Health Plans, and translates into time and cost savings.

Electronic Filing Rollout to All Health Plans

As stated above, one of the objectives of the Pilot is to develop an efficient rollout strategy to the remaining Health Plans. Attached is a survey all Health Plans should complete to allow the Department to consider your technical “readiness” for the eventual rollout of electronic filing. This information will assist the Department in transitioning the new process to the remaining Health Plans and to work through issues with any plan not technically ready to handle electronic filing.

Health Plan Communication

As the Electronic Filing Pilot Project moves forward, monthly communications will be posted to the DMHC website www.hmohelp.ca.gov the first week of each month (beginning in March) to keep all Health Plans up-to-date on project progress. Any questions regarding the project should be communicated to Janice Levinsky at (916) 324-1866.

Sincerely,

Jack Toney, Assistant Deputy Director
Office of Health Plan Oversight, Department of Managed Health Care

Attachment